

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF EQUITABLE)	CASE NO. 2004-00386
GAS COMPANY)	

O R D E R

On April 29, 2004, in Case No. 2003-00411, the Commission approved rates for Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable"), and provided for their further adjustment on a quarterly basis in accordance with Equitable's gas cost adjustment ("GCA") clause.¹

On September 29, 2004, Equitable filed its proposed GCA to be effective November 1, 2004.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Equitable's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Equitable's expected gas cost ("EGC") is \$9.7293 per Mcf, which is a decrease of 22.79 cents per Mcf from its previous EGC of \$9.9572.
3. Equitable's notice sets out a current quarter actual adjustment ("AA") of 9.82 cents per Mcf. Equitable's total AA is 61.19 cents per Mcf, which is 6.36 cents per Mcf more than the previous total AA.

¹ Case No. 2003-00411, Application of Equitable Gas Company to Increase Rates Pursuant to KRS 278.485.

4. Equitable's notice sets out a current quarter balancing adjustment ("BA") of 31.55 cents per Mcf. Equitable's total BA is 34.23 cents per Mcf, which is 36.47 cents per Mcf more than the previous total BA.

5. Equitable's GCA is \$10.6835 per Mcf, which is 20.04 cents per Mcf more than its previous rate of \$10.4831.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Equitable on and after November 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for final meter readings on and after November 1, 2004.

2. Within 20 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of October, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above the text "Executive Director".

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00386 DATED October 28, 2004

The following rates and charges are prescribed for the customers in the area served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

Customer Charge		\$7.50	
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$2.1322	\$10.6835	\$12.8157

The minimum bill shall be \$7.50

The above rates include recovery of a Kentucky West Virginia Gas Company surcharge of 61.4 cents per Dth pursuant to the settlement of Docket No. TQ 89-1-46, et al. before the Federal Energy Regulatory Commission.